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150716Z Oct 02

2002HANOI02493 - UNCLASSIFIED

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ACTION EAP-00

INFO	LOG-00	NP-00	AID-00	A-00	CA-01	CCO-00	CEA-01
	CG-00	CIAE-00	COME-00	CTME-00	DOEE-00	ITCE-00	DOTE-00
	SRPP-00	DS-00	EB-00	EXME-00	OIGO-00	E-00	FAAE-00
	FBIE-00	UTED-00	VC-00	FRB-00	H-01	TEDE-00	INR-00
	INSE-00	IO-00	ITC-01	L-00	VCE-00	M-00	AC-01
	DCP-01	NRCE-00	NSAE-00	OCS-03	OES-01	OMB-01	OPIC-01
	PA-00	PM-00	PRS-00	ACE-00	P-00	SCT-00	SP-00
	SSO-00	STR-00	TEST-00	TRSE-00	USIE-00	USSS-00	ASDS-01
	PMB-00	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00

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FM AMEMBASSY HANOI
TO SECSTATE WASHDC 7786
INFO AMCONSUL HO CHI MINH CITY
AMEMBASSY TOKYO
USCINCPAC HONOLULU HI
NSC WASHDC
SECDEF WASHDC//ISA/ACHAO//

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SIPDIS

SENSITIVE

STATE FOR EAP/BCLTV, EAP/J

E.O. 12958: N/A

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TAGS: [PREL](#) [PTER](#) [ETRD](#) [EAID](#) [ECON](#) [JA](#) [VM](#)
SUBJECT: NONG DUC MANH VISITS JAPAN: ACCORDING TO SCRIPT

[1](#)1. (SBU) SUMMARY. NONG DUC MANH, GENERAL SECRETARY OF THE COMMUNIST PARTY OF VIETNAM (CPV), VISITED JAPAN OCTOBER 2-5. BOTH SIDES PREDICTABLY LABELED THE CAREFULLY SCRIPTED VISIT AS A "SUCCESS." IN ADDITION TO "REAFFIRMING THE STRONG BILATERAL RELATIONSHIP," TOPICS INCLUDED THE NEED FOR VIETNAM TO MAKE JAPAN'S OFFICIAL DEVELOPMENT ASSISTANCE (ODA) "MORE EFFICIENT," BEEFING UP NEGOTIATIONS FOR A "SPEEDY CONCLUSION" OF A BILATERAL AGREEMENT ON INVESTMENT PROTECTION AND PROMOTION, AND POSSIBLE RELIEF OF IMPORT RESTRICTIONS OF JAPANESE MOTORBIKE KITS. JAPAN PUSHED FOR VIETNAM'S EARLY RATIFICATION OF THE COMPREHENSIVE NUCLEAR TEST BAN TREATY. BOTH SIDES REITERATED A COMMITMENT TO ERADICATE TERRORISM. MANH INVITED THE EMPEROR TO VISIT VIETNAM, BUT SUCH A VISIT IS UNLIKELY. END SUMMARY.

[1](#)2. (U) THIS WAS MANH'S FIRST VISIT TO JAPAN SINCE BECOMING GENERAL SECRETARY IN APRIL 2001, ALTHOUGH HE HAD PREVIOUSLY VISITED JAPAN IN 1995 AS THEN-NATIONAL ASSEMBLY CHAIRMAN. THEN-CPV GENERAL SECRETARY DO MUOI AND THEN-PRIME MINISTER VO VAN KIET VISITED IN 1995 AND 1993, RESPECTIVELY. OFFICIALS ACCOMPANYING MANH INCLUDED DEPUTY PRIME MINISTER VU KHOAN, FOREIGN MINISTER NGUYEN DY NIEN, SEVERAL HIGH RANKING CPV OFFICIALS, MINISTER OF PLANNING AND INVESTMENT VO HONG PHUC, AND MINISTER OF EDUCATION AND TRAINING NGUYEN MINH HIEN.

[1](#)3. (SBU) MANH SPENT MOST OF HIS TIME IN TOKYO, BUT ALSO VISITED OSAKA, WHICH HAS CLOSE TIES TO HO CHI MINH CITY. HE
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RETURNED TO VIETNAM DIRECTLY FROM OSAKA. ACCORDING TO NGUYEN VINH QUANG, VICE DIRECTOR OF THE CPV CENTRAL COMMITTEE COMMISSION FOR EXTERNAL AFFAIRS' DEPARTMENT FOR CHINA AND NORTHEAST ASIA, MANH HAD AN AUDIENCE WITH JAPANESE EMPEROR AKIHITO, AND MET WITH PRIME MINISTER KOIZUMI AND NUMEROUS HIGH-RANKING OFFICIALS FROM JAPANESE POLITICAL PARTIES AND THE LEGISLATURE. IN ADDITION, MANH HAD MEETINGS WITH THE JAPAN UNION OF ECONOMIC ORGANIZATIONS AND THE JAPAN-VIETNAM FRIENDSHIP ASSOCIATION, AND PAID A VISIT TO A UNIVERSITY. QUANG SAID THAT MANH DID NOT COME INTO CONTACT WITH STUDENTS DURING THE UNIVERSITY VISIT. JAPANESE EMBOFFS NOTED SEPARATELY THAT MANH MADE PRO FORMA CALLS ON THE HEADS OF BOTH HOUSES OF PARLIAMENT AS WELL AS THE LEADER OF THE JAPANESE COMMUNIST PARTY.

ODA: DO MORE WITH LESS

14. (SBU) DURING HIS MEETING WITH KOIZUMI, MANH REITERATED THE NEED FOR JAPAN TO CONTINUE ITS CURRENT LEVEL OF ODA. JAPAN IS VIETNAM'S LARGEST ODA DONOR; FOR THE CURRENT FISCAL YEAR, IT HAS PLEDGED NEARLY USD 739 MILLION, ACCORDING TO PRESS REPORTS. (NOTE: WHILE JAPAN IS CUTTING ITS ODA BY ABOUT 10 PCT WORLDWIDE THIS YEAR, VIETNAM LEVELS REMAINED STEADY, WHICH MADE JAPAN THE COUNTRY OF THE HOUR AT LAST YEAR'S CONSULTATIVE GROUP OF DONORS MEETING IN HANOI. END NOTE) JAPAN REPRESENTS ABOUT 40 PERCENT OF VIETNAM'S TOTAL ODA, ALTHOUGH A WHOPPING 85 PCT OF THAT IS TIED AID. JAPANESE EMBOFFS SAID THAT, WHILE KOIZUMI AND MANH DID NOT DISCUSS SPECIFIC NUMBERS, THE VIETNAMESE SIDE RECOGNIZED
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THAT THE GVN WILL LIKELY HAVE TO DO MORE WITH LESS. DURING DISCUSSIONS AND IN THE FINAL COMMUNIQUE, BOTH SIDES SPECIFICALLY AGREED FOR THE NEED FOR VIETNAM TO USE JAPAN'S ODA MORE "EFFECTIVELY AND EFFICIENTLY, GIVEN THE CURRENT BUDGETARY SITUATION."

INVESTMENT PROTECTION AND PROMOTION: LET'S GET IT DONE

15. (U) THE CPV'S QUANG SAID THAT BOTH SIDES ARE "ANXIOUS" TO COMPLETE WORK ON THIS AGREEMENT, WHICH THEY HAVE BEEN NEGOTIATING SINCE 1999. HE PREDICTED THAT "CHANCES ARE GOOD" IT WILL BE COMPLETED BY THE END OF THIS YEAR. QUANG ADMITTED THAT JAPANESE BUSINESSES WANT TO SEE MORE OPEN MARKETS IN VIETNAM, AND ADDED THAT THE AGREEMENT IS IMPORTANT TO DEMONSTRATE VIETNAM'S COMMITMENT TO ATTRACTING MORE FOREIGN INVESTMENT NOT ONLY FROM JAPAN BUT ALSO OTHER FOREIGN SOURCES. ACCORDING TO QUANG, MANH AGREED WITH HIS HOSTS ON THE NEED TO ACCELERATE NEGOTIATIONS AND COMPLETE THE AGREEMENT. (COMMENT: TALKS ON THIS AGREEMENT HAD BEEN LANGUISHING UNTIL THE US-VIETNAM BILATERAL TRADE AGREEMENT WENT INTO EFFECT IN DECEMBER 2001. SINCE THEN, JAPAN HAS APPARENTLY FELT A RENEWED URGENCY, WHILE VIETNAM HAD FEWER EXCUSES FOR DELAYING THE TALKS. EMBASSY UNDERSTANDS THAT JAPAN IS PUSHING FOR A BTA-PLUS AGREEMENT, WHILE VIETNAM IS HOLDING OUT FOR BTA-MINUS. THERE HAS BEEN SOME SPECULATION THAT THE RECENT MOTORBIKE DISPUTE MAY HAVE BEEN LINKED TO

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ACTION EAP-00

INFO	LOG-00	NP-00	AID-00	A-00	CA-01	CCO-00	CEA-01
	CG-00	CIAE-00	COME-00	CTME-00	DOEE-00	ITCE-00	DOTE-00
	SRPP-00	DS-00	EB-00	EXME-00	E-00	FAAE-00	FBIE-00
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	PM-00	PRS-00	ACE-00	P-00	SCT-00	SP-00	SSO-00
	STR-00	TEST-00	TRSE-00	USIE-00	USSS-00	ASDS-01	PMB-00
	DSCC-00	PRM-00	DRL-02	G-00	NFAT-00	SAS-00	/015W

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R 150716Z OCT 02
FM AMEMBASSY HANOI
TO SECSTATE WASHDC 7787
INFO AMCONSUL HO CHI MINH CITY
AMEMBASSY TOKYO
USCINCPAC HONOLULU HI
NSC WASHDC
SECDEF WASHDC//ISA/ACHAO//

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PUTTING PRESSURE ON JAPAN DURING THE NEGOTIATIONS. END COMMENT.)

MOTORBIKES: WE'RE HURTING

16. (U) JUST PRIOR TO MANH'S VISIT, THE GVN ANNOUNCED THAT IT WAS DRASTICALLY CUTTING THE AGREED QUOTA FOR THE IMPORT OF "KNOCKDOWN KITS" FOR JAPANESE MOTORCYCLE MAKERS. HONDA WAS PARTICULARLY HARD HIT. AUTHORITIES IN VINH PHUC

PROVINCE, WHERE THE FACTORY IS LOCATED, HAD AUTHORIZED AN ANNUAL IMPORT QUOTA OF 587,000 KITS, BUT CENTRAL AUTHORITIES CUT THAT TO 280,000 KITS. SINCE HONDA HAD ALREADY EXCEEDED THAT NUMBER, IT WILL BE FORCED TO CEASE PRODUCTION FOR THE REST OF THE YEAR. QUOTAS FOR YAMAHA AND SUZUKI WERE ALSO CUT, AND PRODUCTION AT THOSE FACILITIES HAS SLOWED.

17. (U) ON THE MARGINS OF MANH'S TALKS WITH THE GOJ, SENIOR EXECUTIVES FROM HONDA, SUZUKI, AND YAMAHA MET SEPARATELY WITH DPM (AND FORMER TRADE MINISTER) VU KHOAN CONCERNING THESE RECENT VIETNAMESE LIMITATIONS. THIS IS AN IMPORTANT BILATERAL ISSUE TO THE GOJ, ACCORDING TO JAPANESE EMBOFFS. JAPANESE INTERLOCUTORS TOLD KHOAN THAT THE RESTRICTION WAS PROTECTIONIST AND HAD A MAJOR IMPACT ON THEIR PRODUCTION PLANS. ACCORDING TO PRESS REPORTS, KHOAN ASSURED THE BUSINESS REPRESENTATIVES THAT HE PERSONALLY WOULD WORK ON THIS ISSUE, BUT CLAIMED THAT A MAJOR REASON BEHIND THE RESTRICTIONS WAS TO CURB VIETNAM'S SOARING MOTORBIKE

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ACCIDENT RATE. (COMMENT: EMBASSY SERIOUSLY DOUBTS THIS CLAIM. END COMMENT) OTHER GVN OFFICIALS ARE CLAIMING THAT THE QUOTAS WERE "FROZEN" BECAUSE JAPANESE MAKERS ARE NOT FULFILLING THE REQUIREMENTS FOR "LOCAL CONTENT" AS STIPULATED IN THEIR INVESTMENT LICENSES. (COMMENT: MORE LIKELY. END COMMENT)

CTBT AND TERRORISM: AGREEING, BUT NOT COMPLETELY

18. (SBU) JAPAN'S FOREIGN MINISTER YORIKO KAWAGUCHI MET WITH FM NIEN AND REQUESTED THAT VIETNAM QUICKLY RATIFY THE CTBT. ACCORDING TO QUANG AND PRESS REPORTS, NIEN TOLD KAWAGUCHI THAT VIETNAM AGREES WITH JAPAN ON THE NEED FOR RATIFICATION. THE CPV'S QUANG TOLD POLOFF THAT THE CTBT IS NOW "BEING REVIEWED" IN THE MINISTRY OF FOREIGN AFFAIRS (MFA) AND HAS NOT YET BEEN SUBMITTED TO THE NATIONAL ASSEMBLY, HOWEVER. QUANG WAS UNABLE TO OFFER A PREDICTION AS TO WHEN THE MFA WOULD FINISH ITS REVIEW. ACCORDING TO JAPANESE EMBOFFS, THE VIETNAMESE SIDE REJECTED JAPANESE PROPOSED COMMUNIQUE LANGUAGE THAT CTBT RATIFICATION WAS OF "UTMOST" IMPORTANCE.

19. (SBU) CONCERNING TERRORISM, QUANG SAID MANH DISCUSSED THE ISSUE "BRIEFLY AND GENERALLY" WITH KOIZUMI BUT DID NOT GO INTO DETAILS. THERE WAS GENERAL AGREEMENT ON THE NEED TO CONTINUE EFFORTS TO ERADICATE TERRORISM, BUT NO PLANS FOR ANY NEW FORMS OF BILATERAL COOPERATION. ACCORDING TO JAPANESE EMBOFFS, REFERENCES IN THE JOINT COMMUNIQUE TO EARLIER APEC AND ASEM DECLARATIONS ON TERRORISM WERE

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INSERTED AT VIETNAM'S REQUEST.

ROYAL VISIT UNLIKELY

110. (SBU) MANH REITERATED AN INVITATION FOR THE EMPEROR AND EMPRESS TO VISIT VIETNAM. PRIME MINISTER KHAI HAD ALSO ISSUED THIS INVITATION WHEN KOIZUMI VISITED VIETNAM LAST APRIL. SOURCES HERE PREDICT THAT SUCH A VISIT IS UNLIKELY, HOWEVER.

KEEPING A BALANCE

111. (SBU) DURING MANH'S VISIT, THE CPV ANNOUNCED PLANS FOR HIM TO VISIT RUSSIA "IN THE COMING DAYS," WITHOUT PROVIDING ACTUAL DATES. JAPANESE EMBOFFS NOTED THAT THE TIMING OF THIS ANNOUNCEMENT WAS UNLIKELY TO BE COINCIDENTAL, AND WAS PROBABLY INTENDED BY VIETNAM AS SHOWING NO FAVORITISM IN ITS RELATIONS WITH THESE TWO IMPORTANT PARTNERS.

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